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TAGS: [KNNP](#) [KTIA](#) [EWWT](#) [PHSA](#) [PARM](#) [PREL](#) [GR](#)  
SUBJECT: DASD DOUGLAS PUSHES FOR GREEK PSI SHIPBOARDING  
AGREEMENT

REF: A. ASHLEY ROACH E-MAIL SEPT 28  
[1](#)B. SECSTATE 83719  
[1](#)C. ATHENS 303  
[1](#)D. ATHENS 175  
[1](#)E. SECSTATE 19461

[1](#)1. (U) This is an action request for Department. See paragraph 8.

[1](#)2. (SBU) SUMMARY: During his September 30-October 5 visit to Greece as head of the U.S. delegation to the PSI Operational Experts Group (OEG) conference in Rhodes, Deputy Assistant Secretary of Defense Richard Douglas advocated with a number of Greek officials and shipping industry executives for Greece's signing of a PSI bilateral shipboarding agreement. Ambassador Xydas of the MFA D1 Directorate for International Organizations said there was "political will" to sign an agreement but certain "technical details" remained to be worked out between legal experts. Xydas proposed a meeting of relevant MFA officials, shipowners' union executives and lawyers, and USG representatives to hash out details. Embassy believes the time may be right for such a meeting and recommends Department send a small interagency team of experts to negotiate. END SUMMARY.

MFA LAWYER LIVADA: UNHELPFUL AS EVER  
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3.(SBU) DASD's first discussion of the shipboarding agreement took place during the U.S.-Greece bilateral meeting on the margins of the Rhodes PSI conference. MFA legal advisor and lead negotiator Fani Livada responded to DASD's inquiry on the status of the agreement by noting, firstly, that the non-paper the U.S. provided to Greece in June differed from earlier U.S. explanations of liability/compensation issues (ref b). DOD legal counsel Gary Sharp explained that the non-paper was a more complete accounting of these issues but did not negate earlier U.S. explanations. Livada then said that the SI. He also raised the shipboarding agreement with Chairman of the International Chamber of Shipping Spyros Polemis. Neither man was familiar with the issue.

XYDAS PROPOSES BILAT MEETING  
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[1](#)5. (SBU) DASD Douglas's most fruitful exchange on the issue took place with MFA D1 Directorate head Ambassador Photis Xydas. Utilizing Washington guidance (ref a), DASD explained growing impatience with Greece on the issue, noting that if Greece was not interested in signing an agreement, the GOG should inform the U.S. so we could focus our energy elsewhere. Xydas appeared concerned by this suggestion and explained that delays in signing had taken place due to the recent parliamentary election (September 16). Xydas assured that the political will existed for signing but that certain "technical details" remained to be worked out. At the same

time, he said that FM Bakoyannis had to be sure that the shipowners approved of the agreement before signing.

¶6. (SBU) As a way forward, Xydas proposed that Embassy host a meeting consisting of Xydas, Livada, and other MFA players, shipowners' union President Efthymiou, shipowners' union lawyers and board members chosen by Efthymiou, and USG officials. According to Xydas, this group could resolve outstanding issues and bring the agreement to the point of signature.

COMMENT AND ACTION REQUEST

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¶7. (SBU) It is difficult for us to determine whether Xydas's proposal would in fact lead to final resolution of outstanding issues. Nevertheless, it is the most serious proposal we have had from the Greeks in some time and Embassy believes we should seize the opportunity.

¶8. (SBU) ACTION REQUEST: Embassy requests Department identify a small interagency team of legal experts who could travel to Athens in the near future for negotiations.  
COUNTRYMAN